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**FISCAL IMPACT STATEMENT**

**LS 6649**

**BILL NUMBER:** HB 1357

**NOTE PREPARED:** Feb 15, 2011

**BILL AMENDED:**

**SUBJECT:** Local Government Reorganization.

**FIRST AUTHOR:** Rep. Torr

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** *Public Question for Government Reorganization-* The bill provides that if a public question is to be placed on a special election ballot, the public question must be certified to the election board not later than noon 30 days before the notice of the election. It provides that the resolution or petition initiating a local government reorganization must specify the date of the election on the public question concerning the proposed reorganization. The bill also provides that a public question concerning a proposed reorganization may be on the ballot at a primary, general, or special election. It specifies that a public question concerning a proposed reorganization may not on the ballot at primary election unless the primary election is held in all precincts of the reorganizing political subdivisions.

*Reorganization Committee Requirements-* The bill provides that in the case of a proposed local government reorganization that is initiated by the petition of a local unit and that will be voted on at a special election, the reorganization committee must include in the reorganization plan a statement certifying: (1) that a fiscal impact analysis concerning the proposed reorganization has been prepared and made available; and (2) that the financial benefit of the proposed reorganization substantially outweighs the cost of holding the special election.

*Local Government Reorganization-* The bill provides that a unit consisting of two or more townships and at least one municipality that has reorganized under the government reorganization statutes may exercise park and recreation powers if the unit's plan of reorganization authorizes the unit to exercise those powers. It specifies that such a unit may determine: (1) the number of members to be appointed to the unit's park and recreation board; (2) the person or entity that shall appoint or remove those members; (3) any required qualifications for those members; and (4) the terms of those members. It provides that such a unit may exercise planning and zoning power if the unit's plan of reorganization authorizes the unit to do so. The bill

also allows the legislative body of such a unit to establish an advisory plan commission and a board of zoning appeals to exercise planning and zoning functions within the unit.

*Miscellaneous Provisions-* The bill provides that notwithstanding the statute setting out the classification of municipalities, for purposes of local government administration a municipality reorganized under the local government reorganization statutes may, subject to the approval of the Department of Local Government Finance (DLGF): (1) be classified and described as set forth in the reorganization plan; and (2) maintain characteristics of any of the reorganizing political subdivisions.

*Conflict Resolution-* The bill reconciles two conflicting versions of the municipal classification statute.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** *DLGF Provision-* The DLGF may require additional staff time to approve classifications of reorganized political subdivisions. It is likely the DLGF would be able to approve classifications within their existing level of resources.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Public Question for Government Reorganization-* This provision could have little to no impact. There would be a slight increase in ballot printing expenditures, if the public question were placed on a primary or general election. A special election held outside of a primary or general election would increase local expenditures. The expenditures required to hold a special election include payment of poll workers, printing of ballot cards (for optical-scan voting systems), and polling locations.

*Reorganization Committee Requirements-* Under current law, a reorganizing committee is not required to prepare a fiscal impact analysis, but is required to state in the reorganization plan if a fiscal impact statement has been prepared and made available. Under the bill, the reorganization committee could be required to prepare a fiscal impact statement, based on the decision of the legislative body of a political subdivision to hold a public referendum during a special election. The cost of preparing a fiscal impact analysis will depend on the circumstance of the reorganization and the availability of information. The costs of the reorganization committee are paid by the reorganizing subdivision with largest population and then reimbursed by other reorganizing subdivision by agreement or prorata based on population.

A reorganizing committee could cause a fiscal impact analysis to be prepared that shows the financial benefits of the reorganization do not substantially outweigh the cost of holding the special election. In this case, the reorganization committee would not be able to include the required statements. A reorganization plan, once completed, is submitted to the legislative bodies of the reorganizing subdivisions for adoption. This process must be completed within one year.

*Local Government Reorganization-* The provisions concerning parks and recreation powers and planning and zoning powers for the merger of one municipality and two townships currently impact only one reorganization (New Town of Zionsville). Any increase in cost due to the exercise of these powers or duties, or the formation of a board allowed under the bill would already be included in the reorganization plan. In addition, with the approval of the DLGF, such a reorganized unit could be classified and described both as the reorganization plan determines and maintain the characteristics of any reorganizing political subdivision.

### Background Information-

*New Town of Zionsville-* The New Town of Zionsville is the combination of Zionsville, Union Township, and the unincorporated areas of Eagle Township. The Eagle and Union Township Boards were disbanded. The New Town of Zionsville's Plan of Reorganization provides the authority to exercise park and recreation and planning and zoning powers.

*Precinct Election Boards-* The following table shows the precinct election officers as provided by law. The table also includes the average pay per election by each office:

Type of Officer	Number	Average Pay Per Election*
Inspector	1	\$129
Judge	2	\$97
Poll Clerk**	2	\$94
Sheriff**	2	\$106
Asst. Poll Clerk**	2	\$94
*Based on a survey of all counties with 57 responding. **May be eliminated by resolution of entire county election board.		

Certain counties pay the judge of the party opposite of the inspector more than the judge of the inspector's party. The additional pay compensates extra duties of the opposite party judge, who accompanies the inspector to drop off the election ballots and canvases after the polls close to the county election board office.

Many counties are not able to fill every position and several do not have assistant poll clerks. Additionally, counties may by resolution of the entire election board, discontinue sheriff and poll clerk appointments. Very few counties in the survey had assistant poll clerks or sheriffs.

### **Explanation of Local Revenues:**

**State Agencies Affected:** DLGF.

**Local Agencies Affected:** Local units of government.

**Information Sources:** Counties responding to an LSA survey on precinct election officer per diem; [www.zionsville-in.gov](http://www.zionsville-in.gov); Joint Resolution 2008-01, 02 and Ordinance 2008-12 of the Eagle Township, Union Township and Zionsville governing bodies.

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